

**STATE OF CALIFORNIA  
EMPLOYMENT TRAINING PANEL MEETING**

Clarion Hotel San Francisco Airport  
Nob Hill Room  
401 East Millbrae Avenue  
Millbrae, California 94030  
December 13-14, 2000

**PANEL MEMBERS**

John Duncan  
Chairman

Aram Hodess  
Vice Chairman

Clifford Cummings  
Member

Patricia A. Murphy  
Member

Tom Rankin  
Member

Laurel Shockley  
Member

Dan F. Trammell  
Member

Pat Williams  
Member

**Executive Staff**

Victoria Bradshaw  
Executive Director

Ada Carrillo  
Acting Assistant Director

Peter G. DeMauro  
General Counsel

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Clarion Hotel San Francisco Airport  
Nob Hill Room

401 East Millbrae Avenue  
Millbrae, California 94030

December 13, 2000

**I. CALL TO ORDER**

Chairman John Duncan called the public Panel meeting to order at 3:00 p.m.

**II. ROLL CALL**

Members Present

John Duncan, Chairman  
Aram Hodess, Vice Chairman  
Patricia Murphy  
Laurel Shockley  
Dan Trammell

Members Absent

Clifford Cummings  
Tom Rankin  
Pat Williams

Executive Staff Present

Victoria Bradshaw, Executive Director  
Ada Carrillo, Acting Assistant Director  
Peter DeMauro, General Counsel

**III. APPROVAL OF AGENDA**

Chairman Duncan announced the following changes in the Agenda: California Human Development Corporation (CHDC) and the Center for Employment Training (CET) are to be taken off the Consent Calendar. The Amendments will be presented first on the Agenda followed by CHDC and CET. The One-Step Agreements proposing training that may have apprenticeship issues, namely Shea Homes, Los Angeles Chapter National Tooling & Machining Association Training Trust, Fresno, Madera, Kings, & Tulare Counties JATC, GSI of California, Incorporated, and San Francisco Bay Area National Tooling & Machining Training Center, will be presented immediately following CHDC and CET. The remaining One-Step Agreements will be presented as listed on

the Agenda. The discussion on Updating the Apprenticeship Policy will be presented at the January Panel meeting and will not be presented today. There will be an opportunity for public comment immediately following Old Business and prior to the discussion on SB 43 implementation.

ACTION: Mr. Trammell moved and Ms. Shockley seconded the Panel approve the Agenda as revised.

Motion carried, 5 – 0.

#### **IV. APPROVAL OF MINUTES**

ACTION: Ms. Murphy moved and Mr. Hodess seconded the Panel approve the minutes of November 15, 2000, as written.

Motion carried, 5 – 0.

#### **V. REPORTS OF THE PANEL MEMBERS**

There were no reports from the Panel Members.

#### **VI. REPORT OF THE EXECUTIVE DIRECTOR**

Ms. Bradshaw reported that even though the apprenticeship policy discussion is being postponed until next month's Panel meeting, projects containing possible apprenticeship issues will be handled as follows for this meeting: projects seeking funding for journeyman level training in a particular skill will be reviewed to make sure the trainees are true journeymen. Journeyman will be defined with a "common sense" definition incorporating the concept that one cannot be a journeyman without first having been an apprentice, either by spending the equivalent number of hours working in that particular trade to satisfy the number of hours required by the approved apprenticeship program or by going through an approved apprenticeship program. For projects involving pre-apprenticeship or sub-apprenticeship training, those projects will also be reviewed as to the actual job the trainee will be placed in following the training. If the trainee is placed in an occupation in manufacturing, the project will go forward. If the job is in an occupation not in manufacturing and there is an apprenticeship training issue, the project will be held over until next month's Panel meeting.

## **VII. REPORT OF THE GENERAL COUNSEL**

Peter DeMauro thanked the staff for successfully preparing for presentation the many projects being proposed at this month's Panel meeting. He thanked Charles Lundberg for temporarily serving as manager for ETP's Sacramento field office and introduced and welcomed Chuck Rufo who has been appointed to the position.

## **VIII. OLD BUSINESS**

There was no Old Business.

## **IX. PUBLIC COMMENT**

Steve Duscha, Alliance for ETP, spoke on the proposed regulations to implement SB 43 and stated even though the Alliance has not had the opportunity to thoroughly review the regulations, he is comfortable with the proposed changes, particularly in the SET category.

## **X. REGULATIONS FOR SB 43 IMPLEMENTATION**

Ada Carrillo presented the following proposed modifications to the California Code of Regulation Sections (§):

- ?? Delete §4400 (bb), "Woman Owned Business," 4400 (o), "Minority," 4000 (p), "Minority Owned Business," and 4408, "Upgrade Training."
- ?? §4400 (l): "In-kind contributions" to clarify that such contributions may be monetary or non-monetary.
- ?? §4400 (ee): "Frontline worker" to include owners of a business with at least one, but less than ten full-time employees, and whose primary duties consist of directly producing or delivering goods or services.
- ?? §4400 (hh): "High performance workplace" means a workplace where frontline workers are equipped with problem solving and decision-making skills that result in increased productivity.
- ?? §4400 (ii): "Working poor" means workers who have full-time jobs and stable employment, but earn low wages in jobs appearing to lack career potential. These "working poor" also lack the essential job skills necessary to improve their employment opportunities to move ahead in the economy. Their lack of job skills is often accompanied by limited education and/or English-speaking skills.
- ?? §4400 (jj): "High Unemployment Areas" means those areas of the State that, based on the most recent Employment Development Department (EDD) unemployment statistics, contain unemployment rates significantly higher than the unemployment rate for California, or contain large numbers of unemployed.

- ?? §4403: “Coordination with other Agencies.” Making technical corrections for consistency with references to the Workforce Investment Act and Workforce Investment Boards (WIB).
- ?? §4407: “Workforce Investment Boards.” The initial contract delegating funding authority to WIBs will be limited to \$100,000. Subsequent contracts may be for increased amounts, based on performance. Each subcontract approved by participating WIBs is limited to small businesses with fewer than 100 employees and must not exceed \$50,000. To qualify, WIBs must demonstrate: (1) a satisfactory performance record; (2) employer demand for training; (3) customized training; (4) the training is supplemental, and participating employers are providing in-kind contributions; and (5) adequate administrative controls. WIBs may apply for marketing contracts to locate applicants in industries and occupations that meet Panel priorities. Applications resulting from marketing contracts shall receive priority.
- ?? §4409: “Special Employment Training Projects.” Up to 10 percent of annually available training funds may be allocated for SET projects to improve the skills and employment security of frontline workers who earn at least the state average hourly wage, except as otherwise provided. SET projects are not subject to the out-of-state competition requirement, nor are SET participants subject to the standard trainee eligibility. Industries and occupations will be annually prioritized for SET funding in the Panel’s Strategic Plan. Furthermore, the following kinds of training projects will be allowed under SET funding:
- A. Up to 20 percent of annual SET funds may be allocated to frontline workers who earn less than the state average hourly wage, but earn at least the ETP minimum wage, and who have multiple barriers to employment. Applicants utilizing the Barriers to Employment category must demonstrate how the training will help trainees overcome barriers. ETP’s literacy training requirements may be waived for these projects.
  - B. Projects under California Career Ladders to the 21<sup>st</sup> Century may be funded to help workers in low-wage jobs to advance to higher paying jobs. Under this type of project, the minimum wage, literacy training, and employment retention requirements may be waived.
  - C. Projects may be funded for frontline workers in high unemployment areas. Minimum wage and employment retention requirements may be waived for frontline workers in high unemployment areas.
  - D. SET funds may be allocated for small business skills training.
- ?? Necessary technical corrections revising §4412.1: “Training Costs Charged to Trainees,” changing “Entrepreneurial training projects” to “SET training projects for small business skills;” 4415: “Workforce Training,” eliminating Total Quality Management training and references to the Unemployment Insurance Code; and 4420: “Literacy Training,” changing “participants” to “frontline workers,” and “full time employment” to “full participation in the labor force, welfare to work trainees, and working poor trainees in high unemployment areas of the State. “

Mr. Hodess voiced his concern regarding in-kind contributions. He stated he felt it is inappropriate to include in-kind contribution credit to a halt in production in order to put employees in training. Mr. Hodess also voiced concern regarding delegations to the WIB. He stated ETP has a fiduciary obligation in terms of contracts the Panel approves and is the Panel delegating that responsibility to the WIBs. Ms. Carrillo stated ETP would be overseeing the WIBs. Mr. Hodess was concerned how ETP would prioritize industries: Would it be based on employer demand, unemployment in an industry, or out-of-state competition. Ms. Carrillo stated ETP will be reviewing the economic studies and incorporating recommendations into ETP's strategic plan. The Panel would establish those industries to be prioritized.

Mr. Trammell requested a definition of non-monetary contributions and what is acceptable. Ms. Bradshaw stated that is an issue that is going to be brought back to the Panel at a later date.

Ms. Carrillo recommended the Panel approve the regulatory amendments and direct staff to initiate the regulatory process to promulgate emergency regulations, as necessary.

ACTION: Ms. Shockley moved and Mr. Hodess seconded the Panel approve the revision of §4400 (l), "In-kind Contributions" to clarify that such contributions may be monetary or non-monetary.

Motion carried, 5 – 0.

ACTION: Ms. Shockley moved and Ms. Murphy seconded a continuing motion for the Panel to direct staff to proceed with the emergency regulations as necessary.

Motion carried, 5 – 0.

ACTION: Mr. Trammell moved and Ms. Murphy seconded the Panel approve the deletion of §4400 (o), "Minority," 4400 (p), "Minority-owned business," and 4400 (bb), "Woman owned business."

Motion carried, 5 – 0.

ACTION: Ms. Shockley moved and Mr. Trammell seconded the Panel approve the revision of §4400 (ee), "frontline worker" to include small business owners with fewer than ten employees whose primary duties consist of directly producing or delivering goods and services.

Motion carried, 5 – 0.

ACTION: Ms. Murphy moved and Ms. Shockley seconded the Panel approve the revision of §4400, “definitions,” to add §4400 (hh), “high performance workplace,” since it is a Panel funding priority.

Motion carried, 5 – 0.

ACTION: Ms. Shockley moved and Ms. Murphy seconded the Panel approve the revision of §4400, “definitions” to add §4400 (ii), “working poor.”

Motion carried, 5 – 0.

ACTION: Mr. Hodess moved and Mr. Trammell seconded the Panel approve the revision of §4400, “definitions” to add §4400 (jj), “high unemployment areas.”

Motion carried, 5 – 0.

ACTION: Mr. Trammell moved and Mr. Hodess seconded the Panel approve the revision of §4403, “Coordination With Other Agencies,” to make technical corrections for consistency with references to the Workforce Investment Act and Workforce Investment Boards.

Motion carried, 5 – 0.

ACTION: Ms. Murphy moved and Ms. Shockley seconded the Panel approve the revision of §4407, formerly “Small Business Projects,” renaming it “Workforce Investment Boards” to set forth provisions pertaining to the Panel’s coordination efforts with WIBs.

Motion carried, 5 – 0.

ACTION: Mr. Hodess moved and Mr. Trammell seconded the Panel approve the deletion of §4408, Upgrade Training” since SB 43 deleted reference to upgrade trainee eligibility.

Motion carried, 5 – 0.

ACTION: Ms. Shockley moved and Ms. Murphy seconded the Panel approve the revision of §4409, “Special Employment Training Projects” to exempt SET projects from the Panel’s regular out-of-state competition and trainee eligibility requirements; to provide up to 20 percent of SET funding for frontline workers who earn less than the State average hourly wage, but earn at least the ETP minimum wage, and have barriers to employment. The proposed regulation also enables the Panel to fund projects developed under the California Career ladders to the 21st Century, provides for waivers to the Panel’s minimum wage, literacy training, and

employment retention requirements, allows the Panel to waive ETP minimum wage and employment retention requirements for frontline workers in high unemployment areas, and stipulates criteria for training eligible frontline workers in small business skills.

Motion carried, 5 – 0.

**ACTION:** Ms. Murphy moved and Ms. Shockley seconded the Panel approve the revision of §4412.1, “Training Costs Charged to Trainees,” §4415, Workforce Training,” and §4420, “Literacy Training,” to make necessary technical corrections.

Motion carried, 5 – 0.

**ACTION:** Ms. Shockley moved and Mr. Trammell seconded the Panel direct staff to delete Policy Directive 91-008, “Contracting Objective for Minority and Female Owned Businesses” for consistency with the Panel’s legislation and regulations.

Motion carried, 5 – 0.

**ACTION:** Ms. Murphy moved and Mr. Trammell seconded the Panel direct staff to proceed with all other necessary administrative procedures and processes to implement the provisions of SB 43.

Motion carried, 5 – 0.

## **XI. PUBLIC COMMENT**

There were no members of the public who wished to comment.

## **XII. ADJOURN**

Mr. Hodess moved and Mr. Trammell seconded the Panel be adjourned. There being no further business and no objections, the meeting was adjourned at 3:40 p.m. to reconvene the next morning, December 14, at 8:00 a.m.



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Nob Hill Room  
401 East Millbrae Avenue  
Millbrae, California 94030  
December 14, 2000

**I. CALL TO ORDER**

Chairman John Duncan called the public Panel meeting to order at 8:08 a.m. Chairman Duncan requested the presenters keep their presentations to a minimum due to the many projects being proposed today. He announced the change in the order of the presentation of projects. The Amendments will be presented first beginning with SMC Pneumatics, Inc. and concluding with San Diego Electrical Training Trust. California Human Development Corporation, Center for Employment Training, Shea Homes, Los Angeles National Tooling & Machining Association, Fresno, Madera, Kings, & Tulare Counties JATC, GSI of California, and San Francisco Bay Area National Tooling & Machining will be presented next in that order followed by the remaining projects in the order listed in the Agenda.

Ms. Bradshaw reported on the procedure for addressing the projects being presented today that contain possible apprenticeship-type training issues. Where projects may include curricula that is included in apprenticeship programs, the Panel will review to see if there is a State approved apprenticeship program for that particular skill and if there is, that particular project or portion will be held over until next month. The Panel will also check what occupation the trainee is being placed in after the completion of training. If the occupation is in manufacturing, the project will go forward this month. If not, it will be held over. Definition of journeyman will be a "common sense" definition -- one cannot be a journeyman without first being an apprentice. Each journeyman has to have spent the equivalent number of hours in that particular trade to justify qualifying at a journeyman level or have completed an apprenticeship program.

**II. ROLL CALL**

Members Present

John Duncan, Chairman  
Aram Hodess, Vice Chairman  
Patricia Murphy  
Laurel Shockley  
Dan Trammell  
Pat Williams

Members Absent

Clifford Cummings

Tom Rankin

Executive Staff Present

Victoria Bradshaw, Executive Director

Ada Carrillo, Acting Assistant Director

Peter DeMauro, General Counsel

### **III. AMENDMENTS**

#### **SMC Pneumatics, Incorporated**

Ms. Torres, manager of ETP's San Diego field office, presented a proposed Amendment No. 2 for SMC Pneumatics, Incorporated, to increase the number of Class/Lab training hours, move some training slots between Job numbers, create five new Job numbers to provide 38 existing trainees with additional Class/Lab training, add seven recently hired retrainees, and revise the occupations and trainee wage ranges as a result of the transfer of trainees to other Job numbers increasing the original Agreement by \$73,359. The additional training hours will assist the Company in effectively adapting to a high performance workplace. Training and training related costs not covered by ETP funds are approximately \$30,000 - \$50,000, and employee wages paid during training are approximately \$90,000 - \$110,000.

ACTION: Mr. Trammell moved and Ms. Shockley seconded the Panel approve the proposed Amendment.

Motion carried, 6 – 0.

#### **City of Long Beach – Career Transition Center**

Ron Tagami, manager of ETP's North Hollywood field office, presented an Amendment for City of Long Beach – Career Transition Center for a second phase to the current Agreement in the amount of \$511,520 to retrain an additional 640 retrainees. Some of the training must be center-based in order to reach the smaller companies with fast growth potential. Approximately 400 trainees will be trained on site and 240 trainees will be center-based trained. The Contractor conducts assessments for all participating employers in order to tailor the curriculum according to the training needs identified by the Company and the skill level of the trainees. ETP monitors will ensure that the customization standards of the Panel are met in this contract.

Mr. Tagami introduced Sheri Rossillo, Business Services Coordinator, and Deborah Imonti, Employer Project Analyst. Ms. Rossillo read a letter of support from Ray Worden.

ACTION: Ms. Williams moved and Ms. Murphy seconded the Panel approve the Amendment as proposed.

Motion carried, 6 – 0.

### **Computer Tutor**

Charles Lundberg, acting manager of ETP's Sacramento field office, announced the proposed Amendment for Computer Tutor was withdrawn from consideration at this month's Panel meeting.

### **E. & J. Gallo Winery**

Mr. Lundberg presented an Amendment for E. & J. Gallo Winery to add 415 retrainees for an additional cost of \$392,600. The previous training has proven to be successful because employees are working as a team and the Contractor reports that production and quality have increased significantly. The employee involvement and increased level of knowledge and skills have resulted in promotions and pay increases for many workers. The Contractor believes that all production employees should participate in the training program to complete the Company's move to a high performance workplace.

Mr. Lundberg introduced Mary Ann Parker, Manager of Training and Education. Mr. Hodess asked if the trainees receive a wage increase after training. Ms. Parker stated the trainees do receive wage increases after completing each level of training.

ACTION: Ms. Shockley moved and Mr. Hodess seconded the Panel approve the proposed Amendment.

Motion carried, 6 – 0.

### **Yuba-Sutter Chamber of Commerce (SET)**

Mr. Lundberg presented an Amendment for Yuba Sutter Chamber of Commerce using Special Employment Training (SET) funds for small business owners to enhance the competitive position of entrepreneurial businesses. The Contractor requests extending the term of the Agreement by one year in order to continue training 168 small business owners.

ACTION: Ms. Williams moved and Mr. Trammell seconded the Panel approve the Amendment as proposed.

Motion carried, 6 – 0.

### **Joie-Orchard, LLC (SET)**

Creighton Chan, manager of ETP's San Mateo field office, presented an Amendment for Joie-Orchard to reduce the Agreement by \$2,992. According to the Contractor's representative, out of the 20 employees originally scheduled for training, the Company was only able to train 9 employees due to an unexpected rise in business activities. The Contractor conducted a job performance evaluation on the nine trainees that completed training and found that the original training plan underestimated the level and amount of training needed. The Contractor determined that for its employees to competently perform their job assignments, the employees need more advanced levels of training. This Amendment proposed to re-allocate funds from Job 1 by removing 11 training slots, thereby reducing Job 1 to nine trainees. A new Job 2 will be created to train ten trainees in 68 hours of Continuous Improvement training and 12 hours of VESL.

ACTION: Mr. Trammel moved and Ms. Williams seconded the Panel approve the Amendment.

Motion carried, 6 – 0.

### **Lifeguard, Incorporated (SET)**

Mr. Chan presented an Amendment for Lifeguard, Incorporated. Lifeguard has scheduled additional upgrade changes to its core computer system to enhance the functionality of the system. Training covering these enhancements will need to be provided to Lifeguard employees. This Amendment request is for an additional \$78,000 to train 200 frontline workers in computer skills upgrade.

Mr. Chan introduced Jeannie Aguiar, Director of Lifeguard, and Jason Garrett of Ernst & Young.

ACTION: Ms. Murphy moved and Ms. Shockley seconded the Panel approve the Amendment.

Motion carried, 6 – 0.

### **San Diego Electrical Training Trust (SET)**

Diana Torres presented an Amendment for San Diego Electrical Training Trust (SET) to add Job 2, which was dropped from the original contract, and decrease the number of Building Industry Consulting Service International (BICSI) Class/Lab training hours from 66 to 40 hours, the actual number of hours needed, for Job 2 trainees. The 40-hour classroom-training curriculum is the approved certification standard required by the BICSI and will provide the skills necessary for trainees to attain the required competencies and certification. The decrease in the number of training hours needed would reduce the original Agreement by \$3,380.

ACTION: Ms. Williams moved and Mr. Trammell seconded the Panel approve the Amendment.

Motion carried, 6 – 0.

#### **IV. CONSENT CALENDAR**

##### **California Human Development Corporation (SET)**

Mr. Lundberg presented a One-Step Agreement for California Human Development Corporation. At the November 2000 Panel meeting, part of this project was approved and the Panel deferred action on the welding component until it had considered and adopted an apprenticeship policy. The contractor maintains that the welding component requested is similar to pre-apprenticeship training for unemployed individuals with multiple barriers to employment and requests Panel approval to train 23 workers at a cost of \$372,971.

Mr. Lundberg introduced Frank Meyer, Director. Mr. Hodess proposed an Amendment that if those workers who will be trained in welding for jobs in manufacturing are later moved to employers who have collective bargaining agreements and are engaged in apprenticeable work, the Contractor not be paid for those workers. Additionally, proof of apprenticeship hours for journeyman status must be provided.

ACTION: Mr. Trammell moved and Ms. Williams seconded the Panel approve the One-Step Agreement with the stipulated amendment.

Motion carried, 6 – 0.

##### **Center for Employment Training (SET)**

Mr. Lundberg presented an Amendment for Center for Employment Training (SET) in the amount of \$1,554,535. At the October 2000 Panel meeting, portions of the Agreement that did not include apprenticeship-type training were approved and the Panel deferred action on the HVAC, welding, and the building maintenance components until it had considered and adopted an apprenticeship policy. The Contractor maintains that the welding and the building maintenance repair components requested are akin to pre-apprenticeship training and are directed to unemployed individuals with multiple barriers to employment who would not qualify for an apprenticeship program and Contractor is requesting Panel approval for those components. Staff recommended that the Panel approve the welding and building and maintenance repair training components and approve the dollar amount and slots requested but postpone the HVAC component because there is a state approved apprenticeship program associated with HVAC. The Contractor will not be

paid for those workers who are trained in welding for jobs in manufacturing and later moved to employers who have collective bargaining agreements and are engaged in apprenticeable work.

Mr. Lundberg introduced Carlos Lopez.

ACTION: Ms. Williams moved and Mr. Hodess seconded the Panel approve the Amendment.

Motion carried, 6 – 0.

## **V. AGREEMENTS AND PROPOSED AGREEMENTS**

### **One-Step Agreements**

#### **Shea Homes San Diego, Incorporated (SET)**

Ms. Torres presented a second One-Step Agreement for Shea Homes San Diego, Incorporated, in the amount of \$114,452 to retrain 124 frontline workers in Continuous Improvement skills. Shea Homes is requesting a waiver to the 20 percent turnover rate and asking the Panel to accept a 24.5 percent annual turnover rate based on the fact that the housing industry in San Diego County is experiencing record low unemployment coupled with a shortage of skilled workers in this industry. The Applicant is also requesting a waiver of California Code of Regulations, 4409(a)(2) which states that a SET project shall be funded only once absent a showing of good cause by the applicant. The Company states that good cause for this second ETP-funded SET project is that as a result of acquiring United Development Company, Shea must transition towards a fully operational combined company with a single shared culture.

Ms. Torres introduced Leilani Lamarre, Director of Human Resources, and Stacy Gilb, Human Resources Representative. Ms. Williams stated her concern regarding the high turnover rate of 24.5 percent. Mr. Lamarre explained the Company has implemented a job sharing and “buddy” program. Ms. Lamarre stated that there is an incredible shortage of labor market in the San Diego real estate construction industry. The entire industry has experienced a 30 percent turnover rate. Skilled employees move from company to company with confidence that their skills are transferable and companies are looking to hire people with construction skills. Shea projects that this training will help to lower its turnover rate to 20 percent. Ms. Bradshaw stated that this Agreement includes the required turnover language that the final 25 percent progress payment for each trainee is only earned if the Contractor achieves an average turnover rate of 20 percent or less for the last 12 months of the Agreement. Mr. Hodess recommended Shea consider requiring subcontractors to have training programs or participating in apprenticeship programs for their employees. The result would be valuable in obtaining not only a better quality product but also a more reliable workforce.

ACTION: Ms. Murphy moved and Ms. Shockley seconded the Panel approve the One-Step Agreement as proposed.

Motion carried, 6 – 0.

### **Los Angeles Chapter, National Tooling & Machining Association Training Trust**

Mr. Tagami presented a One-Step Agreement for the Los Angeles Chapter, National Tooling and Machining Association Training Center Trust (LANTMA) in the amount of \$5,442,000. This project proposes to train 425 new hires and 600 retrainees in Manufacturing Skills. All classroom training will take place at the contractors training facility and structured on-site training will take place at the employer's job site. A significant portion of the trainees are placed in or come from areas of high unemployment.

Mr. Tagami introduced Mr. Irv Hart, CEO/Executive Director of LANTMA Training Centers. Mr. Hart stated that LANTMA is the training base for the machining industry of Southern California with centers in Norwalk, Costa Mesa, Ontario, and, early next year; hopefully opening their fourth training facility in the San Fernando Valley area. As group industry based training centers, LANTMA has always provided customized training for the employees in their industry in the practical skills needed to obtain and maintain employment in the machine shop industry.

LANTMA retrains existing machine shop employees to operate more complex equipment. LANTMA also provides new-hire training to unemployed people who have been laid off and are receiving unemployment insurance, many living in areas of high unemployment. Trainees are screened for aptitude and ability to succeed in the training program and then trained to work in entry positions in their industry. These new-hire trainees usually do not qualify for these jobs without training because they lack blue print reading, math and vocational skills and many do not speak English as their primary language. These trainees are offered 600 hours in classroom and actual practice on how to operate mills, lathes, grinders, drill presses, saws, and related equipment. Less than half of the 600 hours of training are in the classroom and a majority of the training is allotted for supervised shop floor practice using fully functional shop equipment thus providing basic skills needed for advancement and a long time career. New-hire trainees are not eligible for apprenticeship training because they are not yet working in the industry.

Retrainees will receive significant wage increases after training. In Los Angeles County, EDD reports that within three years of hire typical wages increase from a range of \$6.50 to \$15.35 per hour to \$10.60 to \$25 per hour. This is an increase of more than 60 percent. The small and medium machine shops in Southern California support California's manufacturing base and supply parts for aerospace and other manufacturing companies. Without the base of small employers, the large

manufacturers in Southern California would be tempted to locate in other states outside of California or overseas.

ACTION: Ms. Williams moved and Ms. Shockley seconded the Panel approve the One-Step Agreement as proposed.

Motion carried, 6 - 0.

### **Fresno, Madera, Kings, & Tulare Counties JATC (SET)**

Mr. Lundberg presented a One-Step Agreement proposal for Fresno, Madera, Kings, & Tulare Counties Joint Apprenticeship and Training Committee for the amount of \$65,330. This project is under the SET training category for frontline workers. This project was brought to ETP by the California Labor Federation AFL/CIO, California Workers Assistance Program.

The training site is located in Fresno and serves the four county regions. It was founded in 1945 by Local 100 of the International Brotherhood of Electrical Workers (IBEW) and the East Central California Chapter of the National Electrical Contractors Association. They provide a certified, highly skilled workforce for the unionized electrical industry in these four large, rural counties, which are also a high unemployment area. The IBEW is an active partnership between 700 journey-level electrical workers and 25 signatory contractors. Although the JATC received funds from employers based on every man-hour worked, those funds are used to train apprentice electricians. No apprentices will be trained with the use of ETP funds.

There is a shortage of skilled electricians in Fresno, Madera, Kings and Tulare counties because many have gone to the San Francisco Bay Area for jobs. Some of the recently recruited journey-level electricians are under-skilled compared to those who have gone through the traditional apprenticeship programs. Because they lack the skills required by unionized contractors, these new members must return to the classroom to upgrade their skills allowing them to remain employed.

Many of the journey-level electricians who graduated ten to twenty years ago require training to enable them to keep pace with the rapidly developing and changing technology involved in electrical construction. This training will be for 44 journey-level electricians and has the support of the IBEW Local 100.

Mr. Lundberg introduced Mr. Gregg Jordan, Director of the JATC. Mr. Jordan stated that the electrician trainees have either completed an approved apprenticeship program or have on-the-job experience equivalent to that of a person who has completed that program. The curriculum has been developed by the National Joint Apprenticeship and Training Committee specifically for journeyman training. The purpose of the proposed training is to enhance the on-the-job training skills an individual has acquired through his career as an electrician.



ACTION: Ms. Williams moved and Mr. Hodess seconded the Panel approve the One-Step Agreement as proposed.

Motion carried, 6 - 0.

### **GSI of California, Incorporated (SET)**

Mr. Chan presented a One-Step Agreement for GSI of California, Inc. for \$366,560. GSI provides general maintenance and commercial construction services in the following industries: food and beverage, mining and minerals, petrol and chemical plants, pharmaceutical, and oil and gas refineries. This proposal will exclusively fund training for GSI's journeyman level maintenance personnel in their existing occupations. Trainees will not be cross-trained in other trades and training will be for advanced skill levels that are specific to each worker's current occupation.

Based upon assessments of customer feedback, GSI has determined that there is a need to promote a more customer oriented frontline environment that will move the Company to a high performance workplace. Customers are requiring GSI's experienced and skilled craft workers to work more efficiently, with less supervision, and to make critical decisions in a timely manner that will ultimately provide better service. Technological changes require that craft workers receive the latest training in advanced skills to augment existing skills. About 75 percent of this training is in Continuous Improvement and Team Building.

Mr. Chan introduced Ms. Tresa Olsen, Director of Training. Since this is the second time GSI has been before the Panel and there were some issues previously, Mr. Hodess questioned how this proposal differs from the first proposal.

Ms. Bradshaw stated the confusion last time was what was being presented orally was not what was in the written proposal. The previous presenter described cross training between occupations, raising the issue of whether the cross training GSI was proposing was available through a state approved apprenticeship program. Another issue was whether the trainees had been through a state approved apprenticeship program or worked the requisite number of hours as an apprentice to be termed a journeyman if the training was to be journey level training. Ms. Olsen stated the trainees in this proposal have an average of five years employment.

Mr. Trammell asked for an example of their customization for electricians in this training program. Ms. Olsen stated that they have a classroom set up where the trainees will go through basic subject matter. Some of the material will derive from high tech situations, such as new laser tools, that are not taught in a basic apprenticeship program. Some employees have been with the Company for quite a while, and even though they had previous formal training, they have not used the high-tech tools. Ms. Olsen and Ms Bradshaw stated that this project would be closely monitored.

ACTION: Ms. Murphy moved and Ms. Shockley seconded the Panel approve the One-Step Agreement as proposed.

Motion carried, 5 – 0 - 1 (Mr. Trammell abstained from vote).

### **San Francisco Bay Area National Tooling & Machining Training Center**

Mr. Chan presented a One-Step Agreement for the San Francisco Bay Area National Tooling & Machining Training Center (SFNTMA). This agreement is for \$1,973,656. The purpose of this training program is to meet the training needs of local precision machining companies in Alameda, San Mateo, Santa Clara, and Contra Costa through retraining as well as to alleviate the labor shortages facing small businesses in the industry through the provision of new hire training to the unemployed. This project will target small businesses. The average workforce size of the machine shops is 20 employees with few employing over 100. To justify the per trainee cost, the training agency will place the new hire trainees at a minimum of \$11 per hour, which is \$2.30 over the ETP new hire minimum hourly wage. Additionally, SFNTMA's new hire trainees receive a medium wage increase of \$1 per hour a year after placement.

The new hire portion of this proposal will be targeted towards individuals collecting unemployment insurance benefits who have typically experienced a lack of job security in their employment history and have been stuck in the secondary labor market. This market is characterized by low wages, minimal or no benefits, high turnover and low skill jobs with few promotional opportunities. Many trainees have inadequate or obsolete vocational skills, limited English speaking abilities, or less than adequate math skills. The contractor reports that women seeking non-traditional employment opportunities and/or persons seeking entry level jobs with upward mobility and above average wages want to pursue opportunities in the machine trades.

Mr. Chan introduced Bert Schuster, Executive Director. Mr. Schuster explained that their training program is exclusively in manufacturing skills for small, entrepreneurial companies that manufacture components of such high tech products as data storage devices, ship-making equipment and measurement instruments.

Panel members suggested that if employers want skilled workers, they should be making a more substantial in-kind contribution for the training.

ACTION: Ms. Williams moved and Ms. Murphy seconded the Panel approve the One-Step Agreement as proposed.

Motion carried, 6 - 0.

Mr. Hodess was absent from the remainder of the Panel Meeting.

## **BAE SYSTEMS Mission Solutions (SET)**

Ms. Torres presented a One-Step Agreement proposal for BAE SYSTEMS Mission Solutions supported by the Association of Machinists and Aero Space Workers District Lodge No. 725, Local 389 and Engineering and Architects Association. BAE proposes to train 713 retrainees under the Special Employment Training funds for frontline workers.

Under this funding this project will train engineers to address the critical needs to train infrastructure employees in manufacturing and continuous improvement skills. Total program costs will be \$478,621 with an in-kind contribution of \$1,417,324.

This project was first presented at the October Panel meeting. At that time, no represented employees were included in the training plan. Additionally, Panel members requested information regarding pending layoffs in the Company. Since the October Panel meeting, the represented employees have been added to the training plan and ETP staff has received union letters of support. The contractor has also submitted a letter regarding impending layoffs, the details of which were outlined in the Panel's memorandum regarding the project.

Ms. Torres introduced Mr. Michael Brown, Director of Human Resources; Steve Goggio, Director, Systems Engineering; and Charla Harris, Engineering Training Manager. Mr. Goggio stated they had appeared before the Panel in October and presented their application to address the critical needs of their engineering workforce driven by a rapid growth in their business and a tight job market in finding technically skilled engineers. The Company will provide leadership training to accommodate the growth in the newly appointed leaders, technical leaders, and first line supervisors. They will also provide technical skills training for new hires and current engineers. Since the Company's original application, it has updated their application to bring in 100 percent of the represented workforce to move to a high performance workplace.

**ACTION:** Ms. Shockley moved and Mr. Trammell seconded the Panel approve the proposed One-Step Agreement.

Motion carried, 5 - 0.

## **Farmworker Institute for Education & Leadership Development**

Ms. Torres presented a One-Step Agreement for the Farmworker Institute for Education & Leadership Development (FIELD) for a total program cost of \$194,600. With the support of the United Farmworkers of America AFL/CIO, FIELD proposes to work with agricultural employers who have expressed interest in moving into a high performance workplace. FIELD is working with agricultural employers in various counties including rural counties and counties of high unemployment. Employers are seeking creative ways to increase profit, lower costs and increase worker-management relationships. FIELD proposes to train 200 retrainees, 80 of which are from areas of

high unemployment. The 70-hour curriculum was developed jointly with employers and worker representatives. The in-kind contribution from employers is estimated from \$10,000 to \$16,000 for wages paid during training in addition to facility costs donated by the participating employers. In accordance with ETP California regulations, and ETP policy, FIELD is requesting a wage waiver to the ETP minimum wage for trainees from areas where the unemployment rate is 50 percent higher than the state average, and an exception for those few employees not provided an increase at the close of retention under their collective bargaining agreement, but who probably will receive one sometime after the end of the retention period.

Ms. Torres introduced David Miguel Villarino, Executive Director. Mr. Villarino stated they have a non-profit training and development affiliation with the United Farmworkers of America. In the Central Valley, agribusiness, as an economic sector, represents approximately \$4 billion as a business. Historically, agribusiness has chosen to engage in a strategy of recruiting recent immigrants, paying entry-level wages with no benefits. ETP has played a critical role in changing that strategy. ETP's relationship with Bear Creek Productions, located in Wasco, who were previously granted funding for training by the Panel to train 1,100 workers has produced substantial results. With the partnership among the farm workers, the management, and ETP, Bear Creek Productions not only increased productivity by almost 30 percent and quality by almost 50 percent, but also had a \$1 million profit after not making a profit in almost two decades. FIELD wants to strengthen the industry as a whole so that the economic sector will be able to provide good jobs with good wages across the board. FIELD has encountered a problem where workers living in areas of high unemployment do not qualify for any exemptions because the employer is not located in a high unemployment area. Ms. Bradshaw stated \$15 million has been appropriated to areas of high unemployment, and the Panel's decision to make that delegation was based on employer location. However, recently ETP has encountered problems where the employer is not located in a high unemployment area but draws all its employees from surrounding high unemployment areas. ETP staff suggested bringing back to the Panel next month a policy change to allow bringing employees from high unemployment areas to an employer who may not be in a high unemployment area and be able to qualify for the exemptions allowed under the budget language.

Mr. Villarino also alluded to a unique circumstance in this particular project. Specifically 5 of the 200 workers have a contractual wage. At the time they complete the retention period, they do not qualify for an increase because they have reached the top of their range and will not get another increase until a year later when the contract is again renegotiated. Staff recommended making an exception for those five so they can be covered under the contract.

ACTION: Mr. Trammell moved and Ms. Williams seconded the Panel approve the One-Step Agreement as proposed.

Motion carried, 5 - 0.

## **Foundation for Educational Achievement**

Ms. Torres presented a One-Step Agreement for Foundation for Education Achievement (FEA) for a total program cost of \$1, 954,140. The project proposes to train 210 new-hires and 512 retrainees through a multiple employer agreement. In order to meet the customization requirements of the multiple employer contracts, FEA proposes to provide SOST at the employer's sites for two of the three training groups. Due to the unique delivery requirements of the web page design curriculum, FEA will incorporate the work product into the class/lab training at the FEA training center.

In-kind contributions made by participating employers are estimated at approximately \$450,000.

Ms. Torres introduced James L. Durbin, Jr., President and Rand Stallings, ETP Project Manager.

**ACTION:** Ms. Williams moved and Ms. Murphy seconded the Panel approve the One-Step Agreement as proposed.

Motion carried, 5 - 0.

## **Four-D Success Academy (Welfare to Work)**

Ms. Torres presented a One-Step Agreement for Four-D Success Academy under the training project profile of Welfare to Work for a total program cost of \$638,400. This is the second ETP Welfare to Work project for Four-D Success Academy. Four-D proposes to train 160 former or current welfare recipients in 250-class/lab training hours consisting of technically based Certified Nurse's Assistant (CNA) skills. Trainees will be paid during training and will work a minimum of 20 hours per week. The Contractor has established collaborations with CalWorks agencies and other agencies located in the Inland Empire. As a server of multiple participating employers in residential healthcare, Four-D will train in CNA skills mandated by the California Department of Health Services. Additional, training topics have also been included as a direct result of needs assessments and evaluations submitted by each healthcare facility. To ensure continual feedback from the employer industry, the Four-D board consists of several representatives from long-term care facilities.

Ms. Torres introduced Linda Smith, President and CEO of the Four-D Success Academy. Ms. Smith stated she started the institution in 1992 with two students and to date has trained 4,000 individuals in their various healthcare training courses. With the dynamic changes in healthcare and the significant need for more nursing assistants as well as licensed and non-licensed personnel, Four-D is extremely interested in the CNA skills training. Four-D has not encountered any problems in working with the hospitals in the area that are in need of nursing assistants. Hospitals appear to be in agreement with hiring non-licensed welfare recipient individuals and then providing them with training components needed for certification.

ACTION: Ms. Williams moved and Mr. Trammell seconded the Panel approve the One-Step Agreement as proposed.

Motion carried, 5 - 0.

### **GMAC Mortgage Corporation**

Ms. Torres presented a One-Step Agreement for GMAC Mortgage under the training project profile of a company moving to a high performance workplace for a total program cost of \$335,254. This is a Trade and Commerce referral. The Contractor states that the Internet has made mortgage banking a highly competitive business. GMAC must change to remain competitive and has made a \$2.2 million investment in new equipment and new facilities. In addition to the Internet skills, continuous improvement skills must be instituted throughout. GMAC proposes to train 436 retrainees in Computer Skills and Continuous Improvement. In-kind contributions for training and training related expenses total approximately \$450,000 in addition to wages paid during training totaling approximately \$550,000.

Ms. Torres introduced Linda Zaldivar, Customer Care Manager, San Diego Servicing Center, and John J. Camillas, GMAC Mortgage University-San Diego. Ms. Zaldivar read a letter from GMAC's Senior Vice President, Joan Copenrath, stating that she would not be able to attend the ETP meeting and was sending Linda Zaldivar to speak on her behalf. GMAC Mortgage is a nationwide lender for servicing first and second mortgages. GMAC's goal through the ETP-funded training is to reinforce the skills training of their employees within their facility in order to increase productivity and customer satisfaction by providing training in technical skills, quality, team and computer skills.

ACTION: Ms. Williams moved and Ms. Murphy seconded the Panel approve the One-Step Agreement as proposed.

Motion carried, 5 - 0.

### **J. L. Davidson Company, Incorporated**

Ms. Torres presented a One-Step Agreement for J. L. Davidson Company, Inc., a company adapting to a high performance workplace for a total program cost of \$145,864. As a primary contract holder with two participating human resource suppliers, J. L. Davidson proposes to train 216 retrainees. Sixty of the 216 retrainees are ironworkers, pooled employees from Pacific Reinforcing Steel and Reinforcing Steel, Incorporated. The proposed training plan has the support of the District Council of Iron Workers of the State of California and Vicinity as well as the Iron Workers Local Unions 229 and 416. All curriculum topics and proposed training for these represented employees have been reviewed and approved by union officials. Any revisions and/or amendments will be subject to approval by local union

representatives. The Post Tensioning Skills training contained in the Manufacturing Skills curriculum is not apprenticeship training.

Ms. Torres introduced Mr. Bing Drastrup, President and CEO of J. L. Davidson. Mr. Drastrup stated that J. L. Davidson is a specialty reinforcing steel fabricator and installation company operating in Southern California. The Company is working toward high performance teamwork in a high performance company. J. S. Davidson is currently faced with out-of-the-country competition from fabricators in Vancouver, British Columbia, who are sending fabricated reinforced steel materials to San Diego and installing this product with non-union labor recruited from Canada.

ACTION: Mr. Trammell moved and Ms Williams seconded the Panel approve the One-Step Agreement as proposed.

Motion carried, 5 - 0.

### **Loews Coronado Bay Resort**

Ms. Torres presented a One-Step Agreement for Loews Coronado Bay Resort under the training project profile of a company adapting to a high performance workplace for a total program cost of \$164,220. Loews Coronado Bay Resort proposes to train 190 retrainees in Continuous Improvement, Computer Skills, and Literacy Skills. In 1999/2000, the 51<sup>st</sup> Street and 8<sup>th</sup> Avenue Corporation, d.b.a. Loews Hotels, Inc., purchased the hotel. This change brought new fiscal and operational expectations. To meet the new customer service goals and new corporate demands, Loews has developed a training plan and has certified that the proposed training is supplemental to their current training. In-kind contributions for training and training related expenses are projected at approximately \$249,000 in addition to wages paid during training. In accordance with California Code of Regulations, Section 4417, "The Panel may accept a higher than 20 percent turnover rate...if industry data supports a higher turnover rate." The contractor's current turnover rate is 33 percent, however with the exclusion of the front desk personnel, their turnover rate is 24 percent. Therefore, the contractor proposes to remove the front desk personnel from the training plan and train them at their own expense. The agreement includes language which states that Loews Coronado will forfeit the last 25 percent payment if the turnover rate exceeds 24 percent at the end of the Agreement.

Ms. Torres introduced Ms. Kathleen Cochran, General Manager and Kelly Grier, Director, Strategy Workplace Communications. Ms. Cochran stated that the Company wants to provide its employees with job security and full-time employment. Very specific programs such as ESL, Computer Training Skills, and Advanced Guest Service Skills will be provided to the staff to enable the Company to move its current service level from a four-diamond property up to a five-diamond property.

Mr. Duncan asked Ms. Cochran to speak about the high turnover rate. Ms. Cochran stated that as noted in their proposal, the hospitality industry turnover is currently 30 to

36 percent. Ms. Cochran stated a major reason for its turnover rate was due to a change of management. Whenever a change in management occurs, there is uncertainty and a higher than usual turnover. She believes the Company will be able to maintain the 24 percent turnover it has committed to and hopefully lower it.

ACTION: Ms. Williams moved and Ms. Shockley seconded the Panel approve the One-Step Agreement as proposed.

Motion carried, 5 - 0.

### **Lowe's Companies, Incorporated**

Ms. Torres presented a One-Step Agreement for Lowe's Companies, Incorporated, for a total program cost of \$428,000 is under the training project profile of moving to a high performance workplace and serving an area of high unemployment. This project was developed with the assistance of the Trade and Commerce Agency. In January 2001, Lowe's will open its newest distribution center in Perris, Riverside County, to serve its retail stores in California, Nevada, and Arizona. The Perris distribution center is expected to employ between 200 and 300 employees within the first six months. As the newest distribution center for Lowe's, the Perris facility will utilize the newest warehouse distribution technology and in addition will develop entirely new distribution management processes. Lowe's proposes to train 350 retrainees in Computer Skills, Continuous Improvement, Management Skills, and Manufacturing (Distribution) Skills.

Ms. Torres introduced Perry Lundberg, Regional General Manager, Lowe's Companies. Mr. Lundberg stated he is the General Manager of the new 1.2 million square foot facility in Perris, California. He stated it is to be a very highly automated facility and the Company plans to hire and train 350 new employees from the Perris area in the first six months and expect to be up to 600 employees at the end of their first year. Perris is considered a High Unemployment Area and Lowe's expects to have a positive economic impact on the local community.

ACTION: Mr. Trammel moved and Ms. Shockley seconded the Panel approve the One-Step Agreement as proposed.

Motion carried, 5 - 0.

### **MedImpact Healthcare Systems, Incorporated**

Ms. Torres presented a One-Step Agreement for MedImpact Healthcare Systems, Incorporated, for a total program cost of \$158,860. Since the first ETP agreement in 1998, MedImpact has grown over 60 percent from 250 employees to 405 employees. Competition has demanded that the Company continue to find ways to lower costs by improving productivity and customer service. To address the challenges of rapid



growth and increased competition, MedImpact proposes to train 215 newly hired and current employees in Continuous Improvement and Management Skills.

The contractor certifies that the proposed training supplements rather than displaces existing training, that it would not occur in the same form and manner without ETP funding, and that the training specified in this proposal has not been provided to the same employees in the same manner within the past three years. Some trainees from the previous ETP Agreement may participate in training but they will not receive the same training they did in the first agreement. MedImpact has previously provided company-wide training in corporate regulation compliance, safety, and basic communication and management skills.

Ms. Torres introduced Nancy Sexton, Esq., Director, Human Resources and Anna Newton, Training & Safety Coordinator. Ms. Newton commented specifically on the issue of appearing a second time requesting funding to supplement their previous ETP training and their current training practices. The first ETP project allowed the Company to introduce organizational functions and management principles to develop teamwork in the Company and grow in a productive and directed manner. This second project will allow the Company to introduce the new employees to the MedImpact way of doing business.

ACTION: Ms. Murphy moved and Mr. Trammell seconded the Panel approve the One-Step Agreement as proposed.

Motion carried, 5 - 0.

### **MWB Copy Products, Incorporated d.b.a. MWB Business Systems (SET)**

Ms. Torres presented a One-Step Agreement for MWB Copy Products for a total program cost of \$135,980 to train 94 frontline workers under the Special Employment Training rules. In accordance with CCR 4409, the Contractor is requesting a second SET agreement for good cause. ETP funding for the first SET project aided in the Company's initial technology shift from analog to digital office copiers. As a result of the technology shift, there is now a critical need to link personal computers and servers to multipurpose machines. This adaptation has promoted the need for this second ETP agreement. The project will provide training for 94 MWB sales, wholesale product, after market, and technical representatives who sell, install and support complex digital document systems.

Ms. Torres introduced Denise Legaspi Hall, Human Resources Manager. Ms. Hall stated that for 23 years her Company has sold and serviced office products throughout Southern California. The copier business is rapidly changing and MWB Copy Products is requesting ETP funding in order to upgrade employee skills.

ACTION: Ms. Shockley moved and Ms. Williams seconded the Panel approve the One-Step Agreement as proposed.

Motion carried, 5 - 0.

### **San Diego Paradise Point Resort**

Ms. Torres presented a One-Step Agreement for the San Diego Paradise Point Resort for a total program cost of \$597,012 to retrain 354 employees in skills to adapt to a high performance workplace. As a destination resort, Paradise Point recognizes that one of the key ways to improve processes and services to customers and attain greater levels of efficiency is to train staff in skills to take more responsibility for problem solving and decision making. Paradise Point's in-kind contribution for training-related expenses is approximately \$80,000 in addition to wages paid during training.

Ms. Torres introduced Cynthia Perumal, Human Resources Director. Mr. Trammell asked about current turnover rate. Ms. Perumal stated that for the purpose of the ETP funding, turnover rate was calculated on 350 full-time employees. They do have close to 600 employees, most of which are part-time and seasonal employees with a turnover rate of 19.2 percent.

ACTION: Ms. Williams moved and Mr. Trammell seconded the Panel approve the One-Step Agreement as proposed.

Motion carried, 5 - 0.

### **Advantage Career Training**

Mr. Tagami presented a One-Step Agreement for Advantage Career Training, Inc., in the amount of \$197,904. The Company is located in Long Beach and provides training in Telecommunications, Fiber optics, Networking and Computer skills. The training agency proposes to train 62 new-hire trainees to be employed as Telecommunications Premises Installers. Each trainee will receive 200 hours of training. The wage to be paid to these trainees after the 90-day retention period will be \$11.85 per hour.

Mr. Tagami introduced Vinnie Branam and Joseph Gusman, co-owners. Mr. Gusman stated that their training programs provide students with the ability to install copper and fiber optics networks here in California. Networks installed ten years ago are now out dated and need to be replaced. Graduates provide installation, maintenance, and service skills for computer networking or installation companies in California.

ACTION: Ms. Shockley moved and Ms. Williams seconded the Panel approve the One-Step Agreement as proposed.

Motion carried, 5 - 0.

### **Autoland, Incorporated (SET)**

Mr. Tagami presented a One-Step Agreement for Autoland, Incorporated, in the amount of \$429,350. The Company started as an economical car buying service and has grown to be the largest credit union buying service. The Company proposes to train 265 retrainees in Continuous Improvement and Business Skills. One hundred and seventy-five employees will be from corporate headquarters of whom 120 will be newly hired employees. Ninety trainees will be from 51 credit unions throughout California. Funding for this group will be under SET funding of frontline workers in occupations that pay 95 percent of the state hourly wage.

Mr. Tagami introduced Ron Frey, Vice President, and COO.

ACTION: Ms. Williams moved and Mr. Trammell seconded the Panel approve the One-Step Agreement as proposed.

Motion carried, 5 - 0.

### **Contracted Computer Training, Incorporated**

Mr. Tagami presented a One-Step Agreement for Contracted Computer Training, Incorporated (CCT). This will be its third contract. The Contractor proposes to train 550 employees in Computer Skills from a menu curriculum. Each trainee will receive 40 or 64 hours of training. All training will be conducted at the participating employers facility. Cost of the program is \$354,050.

Mr. Tagami introduced Azmina Kanji, President. Ms. Kanji stated that CCT has been in the business of providing training for the last ten years. CCT provides customized training programs that are job related. A majority of its clients that participate in the ETP program are small to medium sized companies. The menu curriculum has been developed as a result of years of employers' requests. An ongoing needs analysis is provided by over 100 employers. CCT customizes the menu curriculum further by meeting with the key people in charge of training to determine their needs. The employer provides CCT with input as to what their employees use on their jobs and with their customization needs. Based on employer input, CCT develops the customization of materials and the training course to make training company-specific. Since all the training is conducted at the employer sites, customization is further strengthened because instructors use client corporate standards, menus, desk jobs, Internet, internal procedures and processes and then incorporate these into the curriculum. CCT conducts post-training evaluations and has found through informal surveys that because of the ETP funding there are wage increases, increased morale at work, promotions, and job retentions. Ms. Williams inquired about the security deposit of \$750 required from each employer and asked if they have found this to be a problem in recruiting participants. Ms. Kanji stated it has not created a problem. It is included as a penalty clause as a deterrent for employers to go through the training program and then lay off people. Ms. Kanji stated that the penalty clause only

applies if the company comes in and does not retain their staff. CCT would then exercise the right to penalize them.

ACTION: Ms. Shockley moved and Ms. Williams seconded the Panel approve the One-Step Agreement as proposed.

Motion carried, 5 - 0.

### **DAKO Corporation**

Mr. Tagami presented a One-Step Agreement for Dako Corporation in the amount of \$186,056. The Company is located in Carpinteria and has 230 employees. The Company develops and manufactures research diagnostic kits, which are used in the biomedical research industry to analyze large, complex human molecules. The Company proposes to retrain 200 employees in Continuous Improvement, Business, Computer, and Management Skills.

Mr. Tagami introduced Joe Dauphine, National Sales Manager. Mr. Dauphine stated that he is the project leader for this training which has been designed to improve the job performance of their employees and improve their job satisfaction and customer interaction.

ACTION: Mr. Trammell moved and Ms. Williams seconded the Panel approve the One-Step Agreement as proposed.

Motion carried, 5 - 0.

### **Dunn-Edwards Corporation**

Mr. Tagami presented a One-Step Agreement for Dunn-Edwards Corporation in the amount of \$452,270 to train 435 employees in Continuous Improvement, Computer, Business, Manufacturing and Literacy Skills. Dunn-Edwards Corporation is the largest family owned and operated paint manufacturing company in the Southwest. The Steel, Paper House and Chemical Drivers, Helpers, and General Warehouse Workers Teamsters Local No. 578 support this program.

Mr. Tagami introduced Michael Rose, President and COO; Gary Jones, Director of Training and Development; and Mark Hankins, Local 578 Trustee. Mr. Rose stated that the paint industry has undergone tremendous consolidation over the past several years. Local and regional independent companies such as theirs have been taken over by large national and international conglomerates. To compete effectively against larger corporations, Dunn-Edwards Corporation needs to significantly improve employee skills. The Corporation must launch continuous improvement initiatives more aggressively than it has in the past. If approved, the ETP funding will be used to implement training programs Dunn-Edwards could not otherwise provide on its own. Training is a top priority because the Company's viability depends on it.

ACTION: Ms. Shockley moved and Mr. Trammell seconded the Panel approve the One-Step Agreement as proposed.

Motion carried, 5 - 0.

### **International Aluminum Corporation**

Mr. Tagami presented a One-Step Agreement for the International Aluminum Corporation in the amount of \$196,320. The Company is headquartered in Monterey Park and manufactures diversified lines of aluminum, vinyl, wood and glass building products. The Company proposes to train 218 employees in Computer Skills and Continuous Improvement. Continuous Improvement training for 20 employees at the Vernon site is a pilot project. Upon successful demonstration of process improvement, the project will be expanded. The Miscellaneous Warehousemen Drivers and Helpers, Teamsters Local 986 supports this training.

Mr. Tagami introduced Susan Leone, Vice President, Human Resources. Ms. Leone stated that the pilot training program component has been developed in conjunction with Teamsters Local 986 whose members will receive critical team skills training. Although the trainees in this particular pilot are represented by Teamsters, the Company has also interacted with and gained the support of the Glaziers Architectural Metal and Glass Workers Local 1621 and the Cabinet Makers and Industrial Carpenters Local 721.

ACTION: Mr. Trammell moved and Ms. Williams seconded the Panel approve the One-Step Agreement as proposed.

Motion carried, 5 - 0.

### **Latin Business Association (SET)**

Mr. Tagami presented a One-Step Agreement for Latin Business Association in the amount of \$83,400. The Latin Business Association was established in 1976 as a private non-profit membership association dedicated to serving the needs of Latino business owners. This project will utilize funds under Section 10214.5(a)(5) supporting small business entrepreneurial training to train 100 small business owners.

Mr. Tagami introduced Richard Verches, President & COO and Debra Esparza, Executive Program Advisor for the Latin Business Association Institute. Mr. Verches stated they have over the last three years commissioned studies with a number of partners and have identified an important need with this very fast growing segment of the small business community.

ACTION: Ms. Williams moved and Ms. Shockley seconded the Panel approve the One-Step Agreement as proposed.

Motion carried, 5 - 0.

### **Leiner Health Products, Incorporated**

Mr. Tagami presented a One-Step Agreement for Leiner Health Products, Incorporated in the amount of \$147,030 to train 130 employees in Statistical Process Control and Literacy Skills. All the trainees have been assessed regarding the need for the Literacy Skills. This project is being viewed as a pilot for the Company and, if successful, it will be expanded to other facilities.

Mr. Tagami introduced Anna Peterman, Director, Organizational Development and Employment Human Resources; Stephen Krzeski, Vice President, West Operations; Tom Hicks, Director of West Packaging. Mr. Krzeski stated that Leiner is one of the leading private label manufacturers of vitamins and supplements in the United States. In their industry, the soft skills, being able to do math and document properly, are as important as the hard skills. The training will be given to production floor leaders, line leads, and mechanics, who are all responsible for documentation for the FDA. Inaccurate documentation could result in product recalls as well as customer service issues.

ACTION: Mr. Trammell moved and Ms. Murphy seconded the Panel approve the One-Step Agreement as proposed.

Motion carried, 5 - 0.

### **The Los Angeles Newspaper Group**

Mr. Tagami presented a One-Step Agreement for the Los Angeles Newspaper Group in the amount of \$275,860. The Los Angeles Newspaper Group is a wholly owned subsidiary of the MediaNews Group and publishes nine daily newspapers in the Los Angeles area. This project proposes to train 529 employees from three newspaper facilities: Long Beach Press Telegram, San Gabriel Valley Newspaper Group and the Los Angeles Daily News. Training will be in Continuous Improvement, Business Skills, Computer Skills and Management Skills. The Graphic Communications Union, Local 404, and the Newspaper Guild-Communication Workers of America support this project.

Mr. Tagami introduced Jim Janiga, Vice President, Human Resources and Andy Hernandez, Director of Training.

ACTION: Ms. Shockley moved and Ms. Williams seconded the Panel approve the One-Step Agreement as proposed.

Motion carried, 5 - 0.

**Recot Incorporated, d.b.a. Frito-Lay, Incorporated**

Mr. Tagami presented a One-Step Agreement for Recot Inc. d.b.a. Frito-Lay, Incorporated, in the amount of \$445,736. This Agreement is for the Rancho Cucamonga facility, which employs 600 people and produces corn-based snack products. This is the second agreement for the contractor. Unlike its first ETP training program, Frito-Lay has planned and included a new tracking system and incentives, which they anticipate will make this a successful project. This project proposes to train 532 employees in Continuous Improvement, Business Skills, and Manufacturing Skills.

Mr. Tagami introduced Mr. Clay Snellgrove, Project Coordinator and Art Mory, Hiring and Training Manager. Mr. Mory introduced the Company's Southern California Continuous Improvement Training Manager and the Staffing and Training Administrative Support Manager. Mr. Mory stated in the early 1990s, Frito-Lay, Cucamonga, was performing well below expectations, ranking consistently in the lowest percentile among their 39 manufacturing facilities nationwide. In 1995, Frito-Lay began developing a curriculum for 400 associates that it believed would start the Company toward a high performance workplace. The training focused on building a very basic business understanding of Frito-Lay business. In 1996, Frito-Lay entered into an agreement with ETP to support this training. Mr. Mory stated the results of that initial training were phenomenal. The Company team members, armed with new business skills, have become much more engaged and involved in getting good business results.

The Cucamonga site's performance currently ranks among the best in the Company. Frito-Lay has added three new production lines within the last three years and its team member population has swelled to over 650 individuals. The proposed Agreement supports training that is designed to advance to the next level of high performance workplace. This training focuses on individual leadership skills, individual team skills and a broadened understanding of technical skills. With the Panel's support, Frito-Lay feels it will be able to implement this training much sooner, which will allow the Company to maintain its position of leadership in Frito-Lay's performance arena. This position will ensure that the Cucamonga site continues to add manufacturing capabilities and jobs rather than lose them to its out-of-state facilities.

To ensure the success of the training, the Cucamonga site has created four new positions represented by the four attendees at the Panel meeting. The Company has designated team members to act as key people responsible for the training that takes place and has purchased computer hardware and software that will allow them to do a better job maintaining that training. Frito-Lay has developed an assessment process designed to measure each site's progress towards a high performance

workplace. Since implementation of this assessment process, Cucamonga has seen steady improvement.

Ms. Bradshaw mentioned that if the Panel approved this project, she has authorized an early start date because of power problems. The Company is facing power outages within a few days of the Panel meeting, and, rather than laying off employees, would like to place employees in training at that time.

**ACTION:** Ms. Williams moved and Mr. Trammell seconded the Panel approve the One-Step Agreement as proposed including the amendment that they begin training early.

Motion carried, 5 - 0.

### **Santa Clarita Community College District**

Mr. Tagami presented a One-Step Agreement for Santa Clarita Community College District in the amount of \$455,920. This is their fourth agreement. Santa Clarita Community College District, working in conjunction with the Valencia Industrial Association that has over 300 member companies, has developed this project for local manufacturers. Using menu curricula, 640 trainees will receive from 40 to 80 hours of training.

Mr. Tagami introduced Dena Maloney, Center for Applied Competitive Technologies (CACT) Director, and Daniel Goetz, Vice President and General Manager of UltraViolet Devices, Incorporated. Ms. Maloney stated that since 1996, College of the Canyons has partnered with the Valencia Industrial Association to access ETP funds on behalf of the manufacturing companies in the Santa Clarita Valley. Over the past four years this partnership has provided ETP-funded training programs to over 900 local employees. From an initial core group of five employers in 1996, the project has expanded to over 96 employers. Most of the participating employers are small with fifty-two percent of them having fewer than 100 employees. Ms. Maloney stated that without the funding provided from ETP, these employers would not be able to upgrade employee skills and remain competitive in their industries. She stated a unique aspect of the program is the level of customization provided in their training services. They meet with each participating employer at an executive level to outline the ETP program and to gather input about the needs of each company. The use of company blueprints, machine tool applications, and materials in the training program ensures that the training is geared to the needs of each employer.

Ms. Maloney said there is constant communication with the employers before, during and after training to ensure the program is effective.

Ms. Maloney introduced Mr. Goetz. Mr. Goetz stated that his Company manufactures water and air purification equipment in the consumer marketplace. The Company currently employs 100 people at its Valencia plant. For the past three years, he has served as Chairman of the Valencia Industrial Association (VIA)



Education Committee and has been directly involved with the ETP-funded training programs offered by the College in partnership with VIA. He spoke highly of the ETP-funded programs and the College.

ACTION: Ms. Shockley moved and Ms. Murphy seconded the Panel approve the One-Step Agreement as proposed.

Motion carried, 5 - 0.

### **Sears Logistics Services, Incorporated**

Ms. Bradshaw stated she had recused herself from the Sears Logistics Services, Incorporated, project.

Mr. Tagami presented a One-Step Agreement for Sears Logistics Services, Incorporated, in the amount of \$167,102. The facility is located in Delano and this is their second agreement. This facility is a regional warehouse which employs 492 employees. The contractor proposes to retrain 231 employees in Continuous Improvement, Management Skills, Computer Skills, and Manufacturing Skills. The contractor is requesting a waiver to the standard 35 hours per week as full-time employment for the 90-day retention period. Employees at Sears Logistics are guaranteed a minimum of 30 hours per week. The Company has submitted data to staff that shows employees have worked an average of 35 hours per week during the calendar year 1999 and 2000. The contractor requests that an average of 35 hours per week constitutes full-time employment.

Mr. Tagami introduced Mike Velten, General Manager. Mr. Velten commented that this is the Company's second contract. This project is primarily aimed at helping to implement an expansion program, which will add more jobs, and will assist in improving the expertise of the workforce to meet the challenges that will be involved in the expansion program. It is Sears' policy to promote the leadership from within the ranks of employees.

ACTION: Mr. Trammell moved and Ms. Williams seconded the Panel approve the One-Step Agreement as proposed.

Motion carried, 5 - 0.

### **Southeast Los Angeles County Workforce Investment Board**

Mr. Tagami presented a One-Step Agreement for Southeast Los Angeles County (SELACO) Workforce Investment Board in the amount of 1,937,840. This is their sixth agreement. SELACO is proposing to train 1,900 employees of whom 580 are considered "working poor" and are from high unemployment areas. The contractor requests that the Panel waive the minimum wage requirement for the working poor trainees. The post-retention wage for each trainee who has completed training and

the 90-day retention period will be at least 5 percent more than the trainee's wage before and during training. Staff has received letters of support for this project from the Communication Workers of America, Yvonne Wheeler, and Alan Lowenthal, Assembly member, 54th District.

Mr. Tagami introduced Bill Plaster, Executive Director and Teresa Bonszed, Business and Training Liaison. Mr. Plaster added that SELACO has established ten daycare centers within their area that will provide free service to those trainees attending ETP funded classes. Their center-based training will be offered to small companies, companies employing the working poor, and those companies who can only send one or two people to training because of size or scheduling conflicts.

Ms. Bonszed stated that request for the waiver of the minimum wage requirement was only for the working poor trainees employed in high unemployment areas. She stated the minimum wage would be \$6.25 or above and hoped that it would be higher. The unemployment rate in these areas is significantly higher than the state average rate.

Mr. Plaster stated that in all aspects they were one of the very first workforce investment groups to participate in the Welfare to Work program. He stated the placement rate for their ETP funded Welfare to Work trainees has exceeded 105 percent.

Ms. Bradshaw stated a very interesting and unique thing SELACO is doing is coordinating other services, such as childcare, with the Welfare to Work program. She informed the Panel that staff has approved SELACO's request for a 50 percent payment at enrollment because they are a workforce investment board. SELACO understands that payment does not become earned until the training and retention is completed.

**ACTION:** Ms. Williams moved and Mr. Trammell seconded the Panel approve the One-Step Agreement as proposed.

Motion carried, 5 - 0.

### **California State University Fresno Foundation (SET)**

Mr. Lundberg presented a One-Step Agreement for California State University (CSU), Fresno. This is a request for Special Employment Training funds under the Entrepreneurial category for a total amount of \$83,400 to retrain 150 small business owners in Business Skills. Training will be provided by the University Business Center at CSU in four high unemployment counties: Fresno, Madera, Kings, and Tulare. The University is working in cooperation with several other organizations including the Small Business Development Corporation and several Chambers of Commerce.

Since this will be the third SET Entrepreneurial Training project, CSU is requesting a waiver of the Panel's regulation limiting SET projects to one time absent good cause. CSU officials report that small businesses only have a 20 percent survival rate without training. The small businesses that received training under the previous two Agreements have had a survival rate of 52 percent.

Mr. Lundberg introduced Kathryn Dunham, Programs Development Coordinator and Richard Fosse, Consultant. Ms. Dunham stated that California State University, Fresno, feels very good about their successful entrepreneurial training effort and that it is a direct result of their past contracts with ETP.

ACTION: Ms. Shockley moved and Mr. Trammell seconded the Panel approve the One-Step Agreement as proposed.

Motion carried, 5 - 0.

### **Convergys Customer Management Group, Incorporated**

Mr. Lundberg presented a One-Step Agreement for Convergys Customer Management Group, Incorporated (CMG), in the amount of \$873,600 for the training of 420 new workers in Business and Computer Skills. This project was brought to ETP through the marketing efforts of the Trade and Commerce Agency. CMG provides call center services to a variety of large companies throughout the world. The Contractor states they process more than one million telephone and Internet based contacts every day using advanced technology. CMG estimates that \$3.5 million will be spent on equipment and technology in the new call center located in Fresno. CMG's investment in its Fresno contact center should result in the eventual creation of 1,000 new jobs in a county that has an unemployment rate of 14.3 percent. The contractor has certified this is supplemental training and the Company's contribution to the program will be at least \$728,000 paid in wages for these new employees while in training in addition to \$450,000 of training related expenses. CMG estimates it will spend \$1.5 million to \$2 million per year on training in Fresno following completion of the ETP-funded training program.

Ms. Griffin stated that this is their second entry into California and they have been in San Jose and had to relocate their existing facility because of requirements there. This will be their first expansion in California in the Fresno area. The Fresno facility will have the capacity of employing 1,000 workers in a high unemployment area.

ACTION: Ms. Shockley moved and Ms. Murphy seconded the Panel approve the One-Step Agreement as proposed.

Motion carried, 5 - 0.

Ms. Bradshaw noted that this project is a good example of working with other agencies to target an area of desperate need for economic development assistance.

The Trade and Commerce Agency is ensuring that ETP resources go to areas where, in the past, ETP has not had a large impact.

### **Jo-Ann Stores, Incorporated**

Mr. Lundberg presented a One-Step Agreement for Jo-Ann Stores, Incorporated, located in the Visalia area. This project was brought to ETP through the Trade and Commerce Agency. This proposal is for \$510,440 to train 257 new employees. Jo-Ann Stores are a fabric and craft retailer serving customers in the pursuit of crafting, sewing, decorating, and other creative endeavors. All the merchandise has been shipped from warehouses located in Ohio. The Company is building a new distribution facility in Visalia and will ship all the products to all of the Jo-Ann Stores west of the Mississippi. This new 630,000 square foot facility plans to have state-of-the-art equipment. The Corporation will be hiring new workers in a high unemployment county. Training will be in high performance workplace skills and the frontline workers will work independently and be responsible for a broad range of duties. Company representatives certify that this training is supplemental and, in addition to funds from ETP, they project to have related training expenses totaling approximately \$100,000. Wages paid to workers while in training will total approximately \$300,000.

Mr. Lundberg introduced Michael Howard, Human Resources Manager and Tom Kristy, President and CEO from VeriLogix.

**ACTION:** Mr. Trammell moved and Ms. Williams seconded the Panel approve the One-Step Agreement as proposed.

Motion carried, 5 - 0.

### **Nugget Markets, Incorporated (SET)**

Mr. Lundberg presented a One-Step Agreement for Nugget Markets, Incorporated, in the amount of \$53,040 to retrain 102 current employees under the Special Employment Training category for frontline workers with high wages. Nugget Markets is a chain of full-service supermarkets located throughout Northern California with headquarters in Woodland. According to Company officials, Nugget Markets is implementing a formalized training program, which it has not had in the past. Nugget Markets has planned a comprehensive structured training program that is job specific and will provide the employees with training materials, a classroom environment, and qualified instructors. Company representatives certify that this training is supplemental to their training and estimates training and training-related costs will be approximately \$200,000 and wages paid to employees during training will be approximately \$216,000.

Mr. Lundberg introduced Mr. John Vergot, Director of Staffing. Mr. Vergot stated that Nugget Markets has eight stores and a unique twist to business. The Corporation has cooking schools in some of their stores and chefs that "scratch" bake. Within the

past six months, the Corporation has opened two new stores in Yolo County employing approximately 300 workers and is planning to build two more stores next year.

**ACTION:** Ms. Shockley moved and Mr. Trammell seconded the Panel approve the One-Step Agreement as proposed.

Motion carried, 5 - 0.

### **Objective Systems Integrators, Incorporated**

Mr. Lundberg announced that Objective Systems Integrators, Incorporated, has been withdrawn from consideration at this month's Panel meeting.

### **Taycal Press**

Mr. Lundberg presented a One-Step Agreement for Taycal Press in the amount of \$72,000 to retrain 90 employees in Computer Skills. Taycal Press produces wedding and business stationery products, which they ship nationally and internationally. Taycal certifies that this training supplements rather than displaces current training done by the Company. Their in-kind contribution is estimated at \$34,200 in wages and approximately \$25,000 in additional computer training in the next two years. They have invested over \$90,000 in new technology for their plant including over \$11,000 for new computers. Taycal Press is located in a high unemployment county that has an unemployment rate of 13.8 percent, almost triple the State's average, and is therefore requesting a waiver to the ETP minimum wage requirement of \$9.57 per hour for 22 of the trainees who will be earning at least \$6.10 per hour prior to and during training. The wages for these trainees will be increased by five percent after the completion of training and the employment retention period.

Mr. Lundberg introduced Mike Johnson, President; Beth Rumery, General Manager; and Michelle Saiz, Manager. Ms. Rumery stated that Taycal Press has been experiencing a high performance workplace for the last five or six years. Many of their team members are required to do spreadsheets, word documents, and have connection with their customers over the Internet or Intranet. Taycal is expecting a 40 percent increase in business next year necessitating the importance of increasing employees' skill levels at this time.

**ACTION:** Ms. Shockley moved and Ms. Murphy seconded the Panel approve the One-Step Agreement as proposed.

Motion carried, 5 - 0.

## **Yosemite Concession Services Corporation**

Mr. Lundberg presented a One-Step Agreement for Yosemite Concession Services Corporation for \$604,500 to retrain 675 employees in Continuous Improvement and Management Skills. Yosemite Concession Services, a destination resort in Yosemite National Park, is the second largest employer in Mariposa County providing a variety of services to millions of visitors who visit from around the world. The employees must be given training in the responsibility of anticipating customer needs, overcoming operational challenges, perfecting production techniques, solving customer complaints, and providing quality service to the customer in order to transition to a high performance workplace. The Company has also upgraded its computer technology and workers must learn new computer skills to provide efficient service to the customer. Training will be given to 200 managers and 475 frontline workers. Service Employees International Union AFL-CIO, CLC, Local 535, and General Teamsters Local Union No. 386 support this training program.

The contractor certifies that this training is supplemental and its contribution to training related expenses is \$138,668. Wages of employees paid during training will total approximately \$609,615.

Mr. Lundberg introduced Derrick Safley, Training Specialist; Deborah Price, Director of Quality Assurance; Lisa Abbott, Human Resource Director; Pat Riley, Vice President of Finance; Ken Wood, President of SEIU.

**ACTION:** Ms. Williams moved and Mr. Trammell seconded the Panel approve the One-Step Agreement as proposed.

Motion carried, 5 - 0.

## **Applied Materials, Incorporated**

Mr. Chan presented a One-Step Agreement for Applied Materials for \$3,040,000 to retrain 6,000 employees in Continuous Improvement, Manufacturing Skills, Computer Skills, Business Skills, and Hazardous Materials. This is the second contract for Applied Materials. In the first contract, employees were trained in high performance workplace skills. This contract will concentrate on enhancing the high performance skills and focus on specific and critical new initiatives, new products, processes and technologies. The Company signatory estimates training costs and training related expenses will total approximately \$71,655,156 and wages to be paid to employees during the ETP funded training to be approximately \$7,764,000.

Mr. Chan introduced Phil Herrera of Herrera and Associates; and Bill Wuestenhoefer, Senior Director of Global Business Institute of Applied Materials.

Mr. Wuestenhoefter stated in the year 2001, Applied Materials expects to spend at least a minimum of \$60,000,000 in the area of training and retraining in addition to Company funded seminars for people who are taking educational degrees.

ACTION: Ms. Shockley moved and Ms. Williams seconded the Panel approve the One-Step Agreement as proposed.

Motion carried, 5 - 0.

### **Continental Training Center**

Mr. Chan presented a One-Step Agreement for Continental Training Center (CTC) in the amount of \$503,920 to train 530 employees in Computer Skills from various manufacturing, design and service companies. Most of the participating companies are in the service industry but meet the criteria for out-of-state competition. Each company either provides a significant portion of service out-of-state or is threatened by companies that are located out-of-state. Their out-of-state competitors are using more technologically advanced design methods producing products in half the time it currently takes using traditional CAD methods. Additionally, on-line financial service industries are competing to acquire a new customer-base utilizing the Internet. All training will be conducted on employer premises. In addition, trainees in Jobs 3, 4, and 5 will be employees of businesses employing 100 people or less.

Mr. Chan introduced Bruce Klimoski, President of CTC. Ms. Bradshaw commented that Mr. Klimoski is one of ETP's success stories. He was one of the multi-employer contractors who saw the Panel making changes and knew he would have to make a revolutionary change in how his Company did business in order to comply with the multi-employer policy. Continental Training Center went from center-based training to entirely training at the employer's work site.

ACTION: Ms. Shockley moved and Mr. Trammell seconded the Panel approve the One-Step Agreement as proposed.

Motion carried, 5 - 0.

### **Corporation for Manufacturing Excellence (MANEX)**

Mr. Chan presented a One-Step Agreement for the Corporation for Manufacturing Excellence (MANEX) in the amount of \$1,750,370 to retrain 1,822 employees from small and medium-sized manufacturing companies. The Contractor states that most participating small to mid-sized manufactures have not been able to provide formal on-site customized training programs and usually offer their employees the opportunity to improve their skills through informal efforts such as infrequent, in-house, on-the-job training, or outside seminars and workshops for individual employees. The ETP-funded training program will allow the employer to provide a customized, comprehensive training program for employee development across the

workforce with company-wide results. The participating employers' in-kind contribution for this project is approximately \$984,200 for training facilities and equipment, training materials, replacement workers to cover those in class, miscellaneous administrative costs, and employee wages during training.

Mr. Chan introduced Sallyanne Monti, Project Manager for Training Services.

ACTION: Ms. Williams moved and Ms. Murphy seconded the Panel approve the One-Step Agreement as proposed.

Motion carried, 5 – 0.

### **Vallecitos Center for Employment Training (CET), Incorporated (SET)**

Mr. Chan presented a One-Step Agreement for Vallecitos CET, Incorporated in the amount of \$86,175 using SET funds to train 15 new hires that have at least two barriers to full-time employment. The Vallecitos CET is a private, non-profit, community-based organization located in Hayward. Vallecitos CET trains and serves persons in need of jobs, particularly those most in need and hardest to serve, including persons with no significant work history, persons who are limited-English speakers, high-school dropouts, farm workers, or welfare-to-work recipients. The cost per trainee for this new hire project placing unemployment insurance benefit recipients with multiple barriers to employment is \$5,745 based upon a 360-hour curriculum. Vallecitos CET is proposing to place its trainees at a minimum wage of \$9.00 per hour, which is above the ETP new hire minimum wage.

Mr. Chan introduced Sylvia Llanes, Executive Director; Arifa Khan, Special Projects Manager; and John Olachea, Operations Manager.

ACTION: Ms. Murphy moved and Ms. Williams seconded the Panel approve the One-Step Agreement as proposed.

Motion carried, 5 – 0.

### **California Hyatt Corporation**

Mr. Chan presented a One-Step Agreement for California Hyatt Corporation in the amount of \$3,211,200 to retrain 2,500 workers at 14 Hyatt properties located in Northern and Southern California. To meet customer demands and continue its adaptation to a high performance workplace, California Hyatt Corporation must implement an extensive retraining effort across its workforce at the 14 properties most impacted by out-of-state competition. Training is necessary for staff to learn how to utilize new high technology equipment and software. Six of the 14 Hotels have collective bargaining agreements with a total of six labor organizations. All six local unions have signed and submitted statements in support of the training planned in this proposal. Hyatt Corporation's in-kind contributions total \$4,215,840, of which



\$1,500,000 is for training and training-related costs, and \$2,715,840 for wages of employees during training. Following the ETP-funded training, the Company will provide on-going training to continue the Company's commitment to continuous improvement and the implementation of new high technology initiatives. Hyatt's projected investment in the California workplace training during the two years following completion of ETP-funded training is estimated at \$2,000,000 in addition to investing approximately \$1,500,000 annually in tuition reimbursement programs.

Mr. Chan introduced Cheryl Phelps, Vice President & Managing Director.

ACTION: Ms. Shockley moved and Ms. Williams seconded the Panel approve the One-Step Agreement as proposed.

Motion carried, 5 – 0.

### **SSMB Pacific Holding Company, Incorporated (SET)**

Mr. Chan presented a One-Step Agreement for SSMB Pacific Holding Company for \$88,560 to retrain 78 frontline workers in Continuous Improvement Skills, Business Skills, Computer Skills, and Commercial Skills. The firm's primary focus is the sale and servicing of new and used heavy and medium-duty trucks. Pacific Holding must cut costs by the proper use of tools and technology. The majority of staff lack computer skills, modern business practice skills, and continuous improvement process skills.

Ms. Shockley commented on the Company's substantial in-kind contribution of \$417,389 and the high wages being paid. The Company's representatives were not present to answer any questions the Panel may have had. Mr. DeMauro recommended the proposal go forward with a contingency that the Contractor be present at a future meeting to answer any questions the Panel may have.

ACTION: Ms. Williams moved and Mr. Trammell seconded the Panel approve the One-Step Agreement with the contingency that the Contractor be present at the February 2001 Panel meeting that is scheduled to be held in Northern California to answer any questions the Panel may have.

Motion carried, 5 – 0.

## **VI. PUBLIC COMMENT**

There were no members of the public who wished to comment.

## **VII. EXECUTIVE SESSION**

There was no Executive Session.

## **VIII. ADJOURN**

It was moved by Mr. Trammell and seconded by Ms. Murphy the Panel meeting be adjourned. There being no further business and no objection, the meeting was adjourned at 12:15 p.m.